

**STATE OF CALIFORNIA**  
**BUSINESS, TRANSPORTATION AND HOUSING AGENCY**  
**DEPARTMENT OF CORPORATIONS**

**TO:** Escrow-firm.com  
The Escrow Firm, Inc.  
38 W. Wrightwood  
Chicago, Illinois 60139

Wellesley Road 36  
London, NW5 4-PN  
United Kingdom

**DESIST AND REFRAIN ORDER**  
**(For violations of sections 17200, 17210.2 and 17403 of the California Financial Code)**

The California Corporations Commissioner finds that:

1. Escrow-firm.com and The Escrow Firm, Inc. have engaged in the business of an escrow agent by advertising escrow services over the Internet at [www.escrow-firm.com](http://www.escrow-firm.com), from 2005 to the present as follows:

a) Escrow-firm.com and The Escrow Firm, Inc. represent on [www.escrow-firm.com](http://www.escrow-firm.com) that the process works as follows: The buyer and seller agree to the terms of the transaction. The buyer submits a payment to Escrow-firm.com, which verifies the payment. Escrow-firm.com notifies the seller to ship its merchandise and then verifies that the buyer receives the shipment. The buyer accepts the goods. Escrow-firm.com then pays the seller and the transaction is complete.

b) Escrow-firm.com and The Escrow Firm, Inc. claim to protect both the buyer and the seller from fraud with this process.

c) Escrow-firm.com and The Escrow Firm, Inc. have represented themselves to be licensed escrow agents by advertising that the company is The Escrow Firm, Inc., located in Los Angeles, California, and that it holds Department of Corporations escrow agents' license number

1 863-1254. In fact, the Department of Corporations issued escrow license number 863-1254 to  
2 Central Escrow, Inc., in Los Angeles, California, on April 23, 2001. Escrow-firm.com is not a  
3 website of Central Escrow, Inc.

4 d) Escrow-firm.com and The Escrow Firm, Inc. have represented that the “on-line”  
5 escrow services provided by Escrow-firm.com are provided by Internet Escrow Services (IES), and  
6 that IES is “fully licensed and accredited as an escrow company and is subject to compliance with all  
7 applicable escrow regulations.” In fact, IES is an affiliate of Escrow.com, but Escrow-firm.com is  
8 not affiliated with either IES or Escrow.com.

9 2. Neither Escrow-firm.com nor The Escrow Firm, Inc. have been issued a license from the  
10 Commissioner authorizing it to conduct business as an escrow agent, as required by California  
11 Financial Code section 17200.

12 3. Neither Escrow-firm.com nor The Escrow Firm, Inc. is exempt from the licensing  
13 requirements of Section 17200.

14 4. Neither Escrow-firm.com nor The Escrow Firm, Inc. have been issued a license from the  
15 Commissioner authorizing it to use words indicating that it is in the escrow business, as required by  
16 California Financial Code section 17403.

17 5. Escrow-firm.com and The Escrow Firm, Inc. have disseminated or caused to be  
18 disseminated false, misleading and/or deceptive statements or representations that they are licensed  
19 by the Department of Corporations, and refer to Escrow-firm.com’s affiliation with IES, when, in  
20 fact, Escrow-firm.com is not affiliated with IES in any way.

21 Based upon the foregoing findings, the California Corporations Commissioner is of the  
22 opinion that Escrow-firm.com and The Escrow Firm, Inc. and its officers, directors, partners, agents,  
23 employees and/or servants are in violation of California Financial Code sections 17200, 17210.2(a)  
24 and 17403(a). Pursuant to California Financial Code section 17416, Escrow-firm.com and The  
25 Escrow Firm, Inc. are hereby ordered to desist and refrain from engaging in the business of receiving  
26 escrows for deposit or delivery without first obtaining a license from the Commissioner. Pursuant to  
27 California Financial Code section 17403(b), Escrow-firm.com and The Escrow Firm, Inc. are further  
28 ordered to immediately desist and refrain from issuing, circulating, or publishing any advertisement

1 by means of any communication, including any website, or making use of or circulating any  
2 letterheads, billheads, blank notes, blank receipts, blank escrow instructions, certificates, circulars, or  
3 any written or printed paper containing any fictitious or corporate name or other words indicating that  
4 they are in the escrow business. Pursuant to California Financial Code section 17210.2(c), Escrow-  
5 firm.com and The Escrow Firm, Inc. are further ordered to immediately desist and refrain from  
6 disseminating, or causing or permitting to be disseminated, in any manner whatsoever, any statement  
7 or representation which is false, misleading, or deceptive, or which omits to state material  
8 information, or which refers to the supervision of that agent by the State of California or any  
9 department or official thereof. Escrow-firm.com and The Escrow Firm, Inc. are further ordered to  
10 immediately desist and refrain from disseminating or causing or permitting to be disseminated, in any  
11 manner whatsoever, any statement or representation that Escrow-firm.com is in any manner  
12 associated with IES.

13 This Order is necessary, in the public interest, for the protection of investors and consistent  
14 with the purposes, policies and provisions of the California Escrow Law. This order shall remain in  
15 full force and effect until further order of the California Corporations Commissioner.

16 Dated: November 1, 2005  
17 Sacramento, California

18 WAYNE STRUMPFER  
19 Acting California Corporations Commissioner

20  
21 By: \_\_\_\_\_  
22 ALAN S. WEINGER  
23 Acting Deputy Commissioner  
24 Enforcement Division  
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